



Bond \_\_\_\_\_

Before

The Public Service Commission of  
South Carolina

Docket No. 2014-346-WS

IN RE: Application of Daufuskie Island Utility Company, Inc. for adjustment of rates and charges and modifications to certain terms and conditions for the provision of water and sewer service.

**SURETY BOND**

KNOW ALL PEOPLE BY THESE PRESENTS, that Daufuskie Island Utility Company, Inc. as Principal and Allied World Insurance Company, hereinafter called Surety, a corporation licensed under the laws of the State of New Hampshire and duly authorized to transact business in the State of South Carolina, are held and firmly bound unto the Customers of Daufuskie Island Utility Company, Inc., as Obligee, affected by Order No. 2016-156 of the Public Service Commission, dated March 1, 2016, and any Order denying reconsideration thereof, issued in the above-captioned proceeding, for the sum of seven hundred eighty seven thousand eight hundred sixty seven thousand dollars (\$787,867.00), in lawful money of the United States of America, for payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Commission Orders under appeal are ultimately determined to be valid and enforceable, then, Daufuskie Island Utility Company, Inc. hereby promises to refund amounts it has collected in excess of the amounts finally determined to be correct under the appropriate rate schedules. Any such refunds shall include interest as provided by law.

PROVIDED, HOWEVER, that this bond is executed by the Surety and accepted by the Obligee subject to the following conditions:

- This bond is for the term beginning July 1, 2016 and ending June 30, 2017, but may be extended by continuation certificate executed by the Surety, at the option of the Surety.
- Neither non-renewal by the Surety, nor failure, nor inability of the Principal to file a replacement bond shall constitute a loss to the Obligee which is recoverable under this bond.

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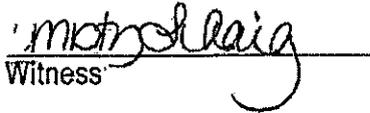
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- Surety's liability under this bond and all continuation certificates issued in connection therewith shall not be cumulative and shall in no event exceed the amount as set forth in this bond or in any additions, riders, or endorsements properly issued by the Surety as supplements thereto.
- No claim, action, suit or proceeding, except as herein set forth, shall be had or maintained against the Surety on this bond unless same be brought or instituted and process served upon the Surety within six months following the expiration of the original term of this bond, or extended term as provided herein.

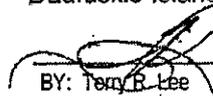
SIGNED, sealed and dated 14th of June, 2016.

  
Witness

  
Witness

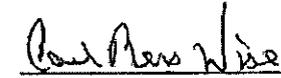
**Principal:**

Daufuskie Island Utility Company, Inc

  
BY: Terry B. Lee

**SURETY:**

Allied World Insurance Company

  
BY: Carl Rex Wise, Attorney in Fact





# Allied World Surety

Division of Allied World Insurance Company  
30 S. 17<sup>th</sup> St., Suite 810  
Philadelphia, PA 19103

## POWER OF ATTORNEY

Issue Date: October 30, 2014

Single Transaction Limit: \_\_\_\_\_

### KNOW ALL MEN BY THESE PRESENTS:

Allied World Insurance Company, a New Hampshire corporation (the "Company") does hereby appoint

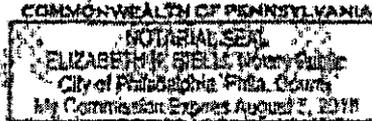
NAME(s): Carl Rex Wise Douglas Lynn Rieder  
John William Miller II

FIRM: Sterling Risk Advisors, Inc. 2500 Cumberland Parkway, Suite 400, Atlanta, GA 30339

Its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the Company thereby. This Power of Attorney shall remain in full force and effect for one year from the issued date above-referenced and shall expire on close of business of the first anniversary of such Issue Date.

IN WITNESS WHEREOF, ALLIED WORLD INSURANCE COMPANY has caused these presents to be executed by the officer named below, who is duly authorized and empowered to execute on the Company's behalf.

This 30th day of October, 2014



*[Signature]*  
Title: Senior Vice President - Surety

State of Pennsylvania  
County of Philadelphia )  
Jss.

On this 30th day of October, 2014, before me came the above-named officer of ALLIED WORLD INSURANCE COMPANY, to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing Instrument and affixed the seals of said corporation thereto by authority of his office.

*[Signature]*  
Notary  
My Commission Expires: 08/05/2018

### CERTIFICATE

- Excerpt of Resolution adopted by the Board of Directors of the ALLIED WORLD INSURANCE COMPANY (the "Corporation"), on December 31, 2012:
- RESOLVED, that the proper officers of the Corporation, the head of the surety business line for the Corporation and their appointed designees (each an "Authorized Officer" and collectively, the "Authorized Officers") be, and each hereby is, authorized to appoint one or more Attorneys-in-Fact to represent and act for and on behalf of the Corporation in the transaction of the Company's surety business to execute (under the common seal of the Corporation, if appropriate) bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof.
- RESOLVED, that in connection with the Corporation's transaction of surety business, the signatures and attestations of the Authorized Officers and the seal of the Corporation may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Corporation when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof.
- RESOLVED, that in connection with the Corporation's transaction of surety business, the facsimile or mechanically reproduced signature of any Authorized Officer, whether made heretofore or hereafter, wherever appearing upon a copy of any Power of Attorney of the Corporation, with signatures affixed as next above noted, shall be valid and binding upon the Corporation with the same force and effect as though manually affixed.
- RESOLVED, that in connection with the Corporation's transaction of surety business, any such Attorney-in-Fact delivering a secretarial or other certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact.
- RESOLVED, that the Authorized Officers be, and each hereby is, authorized (under the common seal of the Corporation, if appropriate), make, file and deliver in the name and on behalf of the Corporation any and all contents, certificates, agreements, amendments, supplements, instruments and other documents whatsoever, and do any and all other things whatsoever in connection with the Corporation's transaction of surety business, as such Authorized Officer shall in his or her absolute discretion deem or determine appropriate and any of the foregoing resolutions, the transactions contemplated thereby and any ancillary matters thereto and/or to carry out the purposes and intent thereof, such deeming or determination to be conclusively evidenced by any such execution or the taking of any such action by such Authorized Officer.
- Timothy J. Curry, Secretary of the ALLIED WORLD INSURANCE COMPANY, do hereby certify that the foregoing excerpts of Resolution adopted by the Board of Directors of this corporation, and the Power of Attorney issued pursuant thereto, are true and correct, and that both the Resolution and the Power of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of the Corporation, this 14th day of June, 2014

*[Signature]*  
Timothy J. Curry, Secretary